Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

UNCLASSIFIED

PAGE 01 PARIS 01996 231837Z

73
ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 RSC-01 CIEP-02 SP-02

STR-04 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 AGR-10

DODE-00 PM-03 H-02 L-02 NSC-05 PA-02 PRS-01 SS-15

USIA-15 SAJ-01 /116 W
---------- 012241
R 231806Z JAN 75
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 6116
INFO USMISSION EC BRUSSELS
USMISSION GENEVA
AMEMBASSY LONDON
AMEMBASSY BRUSSELS
AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME

UNCLAS PARIS 01996

DEPT PASS AGRICULTURE

E.O. 11652: N/A
TAGS: EAGR, EC
SUBJECT: FRENCH PREPARE BALANCE-SHEET ON EC-CAP

1. ON SEPTEMBER 18, 1974 DURING MIDST OF DIFFICULT MID-SEASON EC AGRICULTURAL PRICE NEGOTIATIONS, PRESIDENT GISCARD D'ESTAING ENCOURAGED FRENCH CHAMBERS OF AGRICULTURE TO PREPARE A "BILAN" OF THE CAP. FOLLOWING A PRIVATE PRESENTATION TO THE PRESIDENT LAST WEEK, THE CHAMBERS ON JANUARY 22 WITH MUCH POMP AND CIRCUMSTANCE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 01996 231837Z

AT A 2-HOUR MEETING PRESENTED A BALANCE-SHEET REPORT TO

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

THE PRESS AND FRENCH OFFICIALS, INCLUDING PRIME MINISTER CHIRAC.

2. IN HIS STATEMENT AT THIS PRESENTATION, CHIRAC CONFIRMED THE FRENCH POSITION THAT GOF WOULD ACCEPT THE PRICE INCREASE OF 10 PERCENT PROPOSED BY THE COMMISSION ALTHOUGH THEY WILL INSIST ON AN IMPROVED HIERARCHY OF PRICE INCREASES IN FAVOR OF ANIMAL PRODUCTS. HOWEVER, HE STATED, BECAUSE OF THE HIGHER INFLATION RATE IN FRANCE THAN IN GERMANY, THE FRENCH WILL REQUEST AUTHORIZATION FOR GRANTING ADDITIONAL INCREASES IN REVENUE OF 3.5 PERCENT TO FRENCH FARMERS THROUGH INTERNAL FRENCH AIDS SUCH AS CREDIT TO FARMERS AND TAX REDUCTIONS. CHIRAC ALSO ASSURED HIS AGRICULTURAL AUDIENCE THAT THE FRENCH GOVERNMENT HAS THE FIRM INTENTION TO MAINTAIN THE CURRENT PRINCIPLES AND RULES OF THE CAP EVEN THOUGH SOME ADAPTATIONS TO CHANGED SITUATIONS MAY BE NECESSARY.

3. THE CHAMBERS' REPORT RECOGNIZES SOME OF THE PROBLEMS OF THE CAP. BUT FOR THE MOST PART IT IS A SOLID DEFENSE OF THE CAP, AND ITS BENEFITS NOT ONLY TO FARMERS BUT ALSO TO CONSUMERS IN GREATER PRICE STABILITY. AMONG PROBLEMS, IT FOCUSED ESPECIALLY ON THE MONETARY DIFFICULTIES BROUGHT ON BY EXCHANGE RATE FLUCTUATIONS. CHIRAC ALSO COMMENTED THAT HE BELIEVED THAT THIS YEAR'S DISCUSSIONS ON PRICE SUPPORTS WERE MORE DIFFICULT THAN EVER BEFORE BECAUSE OF THE DIFFERENT INFLATION RATES IN EC COUNTRIES.

4. A SEPARATE REPORT WILL FOLLOW GIVING MORE DETAILS ON THE CHAMBERS' BILAN.

5. COMMENTS: CHIRAC'S APPEARANCE AT THE CHAMBERS' PRESENTATION, ALONG WITH MINAG BONNET AND THE SECRETARY OF STATE FOR BUDGET, IS IN LINE WITH THE ATTENTION GIVEN AGRICULTURE RECENTLY BY HIGH GOVERNMENT OFFICIALS, INCLUDING THE PRESIDENT. THE FRENCH GOVERNMENT IS FACED WITH DIFFICULT POLITICAL CHOICES IN THEIR OBJECTIVES TO KEEP THEIR FARMER CONSTITUENCY HAPPY AND ALSO REDUCE INFLATION RATES FROM 1974 LEVELS. THE COMMISSION
UNCLASSIFIED

GAVE THE FRENCH AN OPPORTUNITY TO OBTAIN HIGHER PRICE INCREASES FOR THEIR FARMERS AND THUS ADJUST FOR THE HIGHER INFLATION RATES IN FRANCE. APPARENTLY FOR POLITICAL REASONS THE FRENCH GOVERNMENT DID NOT WANT TO ACCEPT THE COMMISSION ALTERNATIVE OF A DEVALUATION OF THE FRANC IN TERMS OF THE UNIT OF ACCOUNT.
RUSH

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CAP, POLICIES, AGRICULTURAL PRICES, MINISTERIAL MEETINGS, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS01996
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750026-0414
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750126/aaaaaxbs.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 09 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 MAY 2003 by SilvaL0>; APPROVED <17 FEB 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH PREPARE BALANCE-SHEET ON EC-CAP
TAGS: EAGR, FR, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006